PUBLIC TRUSTEE FOR SASKATCHEWAN

FINANCIAL STATEMENTS

For the Year Ended March 31, 1989

OFFICE OF THE PROVINCIAL AUDITOR

REGINA, SASKATCHEWAN

90-04710/

AUDITOR'S REPORT

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Public Trustee for Saskatchewan as at March 31, 1989 and the statements of common trust revenue, distributed and undistributed earnings and changes in trust funds for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Public Trustee as at March 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
July 7, 1989.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement 1

PUBLIC TRUSTEE FOR SASKATCHEWAN

BALANCE SHEET

As at March 31

	1989	1988
ASSETS		
Cash	$ 56.317	$ 43.732
Accrued interest receivable	1.630.030	1.435.613
Securities and other assets (Notes 1 & 2)	72.268.190	69.316.502
	$73.954.537	$70.795.847
LIABILITIES		
Accounts payable - estates (Note 1(f))	$ 151.964	$ 151.775
- administration fees (Note 3)	1.343.328	1.291.385
Total accounts payable	1.495.292	1.443.160
Funds held in trust for estates		
Distributed funds	70.829.215	67.917.074
Undistributed earnings (Statement 2)	1.630.030	1.435.613
Total funds held in trust for estates (Statement 3)	72.459.245	69.352.687
	$73.954.537	$70.795.847

(See accompanying notes to the financial statements)

Statement 2

PUBLIC TRUSTEE FOR SASKATCHEWAN

STATEMENT OF COMMON TRUST REVENUE, DISTRIBUTED AND UNDISTRIBUTED EARNINGS

For the Year Ended March 31

	1989	1988
Common Trust Revenue:		
Interest income	$ 6,402,549	$ 5,844,301
Bank interest	36,007	29,819
Amortization of discounts net of premiums	145,705	82,593
(Loss) gain on sale of investments	(7,650)	62,343
Total available for distribution (Statement 3)	6,576,611	6,019,056
Earnings distributed during year	(6,382,194)	(5,858,116)
Undistributed earnings for the year	194,417	160,940
Undistributed earnings - beginning of year	1,435,613	1,274,673
Undistributed earnings - end of year (Statement 1)	$ 1,630,030	$ 1,435,613

(See accompanying notes to the financial statements)

Statement 3

PUBLIC TRUSTEE FOR SASKATCHEWAN

STATEMENT OF CHANGES IN TRUST FUNDS

For the Year Ended March 31

	1989	1988
Trust funds acquired:		
Estate capital - cash	$ 4,833,113	$ 4,780,253
- other	469,367	1,098,283
Revenue earned on behalf of trusts		
- common (Statement 2)	6,576,611	6,019,056
- individual	156,928	203,000
Wages and pension benefits	9,477,392	9,071,945
Property rentals	370,081	444,940
Miscellaneous	1,304,817	1,652,634
Total trust funds acquired	23,688,309	23,270,111
Trust funds expended:		
Payment on released estates	8,405,650	5,034,657
Maintenance and other payments on behalf of estates	10,740,943	10,354,475
Administration fees (Note 3)	1,435,658	1,384,618
Total trust funds expended	20,582,251	16,773,750
Increase in trust funds	3,106,558	6,496,361
Balance, beginning of year	69,352,687	62,856,326
Balance, end of year (Statement 1)	$72,459,245	$69,352,687

(See accompanying notes to the financial statements)

PUBLIC TRUSTEE FOR SASKATCHEWAN

NOTES TO THE FINANCIAL STATEMENTS

March 31, 1989

1. Significant Accounting Policies

These financial statements have been prepared in accordance with the following accounting policies:

a) Common Trust Securities

i) Common trust securities are purchased by the Public Trustee with the cash assets of the estates and are recorded at amortized cost except for short term investments which are recorded at cost. Unamortized discounts and premiums are amortized over the life of the investments. Gains or losses on the sale of investments are recognized in the year of the sale.

ii) Interest earned on common trust securities is recorded on the accrual basis of accounting.

iii) Interest received is distributed semi-annually to the individual trust accounts on September 30 and March 31.

b) Individual Trust Securities

Individual trust securities consist of investments held by individuals at the date their estates came under control of the Public Trustee and investments subsequently made in the name of individuals by the Public Trustee. These investments are valued as follows:

i) Bonds and debentures are recorded at par value at the date the Public Trustee assumes control of the securities. Reinvestment of individual securities are recorded at cost.

ii) Shares are recorded at the market value at the date the Public Trustee assumes control, with subsequent increases or decreases in market value being recognized and reflected in the trust accounts annually. If a market value cannot be determined the shares are recorded at a nominal value of $1.

c) Other Assets

i) Real estate holdings of infants are recorded at a nominal value of $1.

ii) Real estate holdings of other individuals are recorded at appraised values at the date the Public Trustee assumes control or at cost if real estate is purchased by the Public Trustee on behalf of an individual. The recorded values are subject to periodic revaluation.

iii) Miscellaneous assets are recorded at amounts determined from information available to the Public Trustee at the date the Public Trustee assumes control of the assets. Subsequent adjustments are made if additional valuation information is received. If no valuation information is available, these assets are recorded at a nominal value of $1.

d) Income on Individual Estates

Income from individual trust securities and other assets is recorded on the cash basis of accounting and is distributed to the individual trust accounts when received.

e) Saskatchewan Pension Plan Contributions

If it is in the best interest of an estate the Public Trustee makes contributions on behalf of the individual to the Saskatchewan Pension Plan. The Government of Saskatchewan's matching contribution and the interest earned on the pension plan are recorded on the accrual basis of accounting.

f) Accounts Payable - Estates

Accounts payable - estates are settled at such time the assets of the estates are liquidated.

g) Other Transactions

All other transactions are recorded in the accounts as funds are received or disbursed.

2. Securities and Other Assets Held in Trust as at March 31

	1989	1988
Common Trust Securities:		
Bonds & debentures at par value (market value 1989 - $53,423,785; 1988 - $53,917,861)	$55,312,638	$53,765,728
Less unamortized premiums and discounts	963,863	1,008,268
Amortized cost	54,348,775	52,757,460
Short term investments at cost	9,530,986	7,980,723
	63,879,761	60,738,183
Individual Trust Securities:		
Bonds & debentures at par value (Market value *)	1,237,057	1,375,879
Shares at market value	685,107	962,168
	1,922,164	2,338,047
Total securities (Schedule 1)	65,801,925	63,076,230
Individual Trusts - Other Assets:		
Real estate	6,155,262	5,889,137
Miscellaneous	311,003	351,135
Total Securities and Other Assets	$72,268,190	$69,316,502

* Since the majority of Individual Trust Bonds and Debentures are not publicly traded, their market value has not been determined.

3. Administration Fees

In accordance with The Public Trustee Regulations, administration fees are assessed and subsequently paid to the Consolidated Fund when collected from the estates.

4. Related Party Transactions

In accordance with section 53 of The Public Trustee Act, all general administrative and employee costs required for the administration of the Office of the Public Trustee are paid out of the Consolidated Fund of the Province of Saskatchewan (1989 - $716,194; 1988 - $686,820). Accordingly, no provision for these costs is included in these financial statements.

5. Authority

The Public Trustee for Saskatchewan was established under The Public Trustee Act. Effective April 1, 1984 the Public Trustee succeeded the Official Guardian appointed pursuant to The Infants Act and the Administrator of Estates appointed pursuant to The Administration of Estates of Mentally Disordered Persons Act.

6. Comparative Figures

Certain 1988 balances have been reclassified to conform with the current year's presentation.

Schedule 1

PUBLIC TRUSTEE FOR SASKATCHEWAN

SCHEDULE OF SECURITIES HELD

As at March 31

	Common Trust	Individual Trust	1989 Total	1988 Total
Government of Canada	$ 8,850,000	$ 202,403	$ 9,052,403	$ 7,418,396
Provincial:				
Alberta	500,000	--	500,000	500,000
British Columbia	650,000	--	650,000	650,000
New Brunswick	675,000	--	675,000	675,000
Newfoundland	875,000	--	875,000	950,000
Nova Scotia	900,000	--	900,000	900,000
Ontario	3,225,000	--	3,225,000	3,350,000
Prince Edward Island	390,000	--	390,000	390,000
Saskatchewan	6,400,000	--	6,400,000	6,565,000
Municipalities:				
Alberta	1,225,000	--	1,225,000	1,225,000
British Columbia	200,000	--	200,000	200,000
Saskatchewan	217,000	--	217,000	253,000
Sundry Bonds	30,886,532	1,034,654	31,921,186	31,765,211
Share Certificates	319,106	685,107	1,004,213	1,262,168
	55,312,638	1,922,164	57,234,802	56,103,775
Less unamortized premiums and discounts	963,363	--	963,863	1,008,268
	54,348,775	1,922,164	56,270,939	55,095,507
Short term investments	9,530,986	--	9,530,986	7,980,723
	$63,879,761	$1,922,164	$65,801,925	$63,076,230